



U.S. DEPARTMENT OF ENERGY

OFFICE OF INSPECTOR GENERAL

Strategic Plan

Fiscal Years 1999-2003

October 1997

October 27, 1997

MEMORANDUM FOR OIG MANAGERS AND SUPERVISORS

FROM: John C. Layton, Inspector General

SUBJECT: OIG STRATEGIC PLAN

The Office of Inspector General (OIG) multi-year Strategic Plan is attached. The plan contains guidance for planning the most effective use of our resources.

This plan is designed to place the OIG in the best position to assist the Department of Energy (DOE) in enhancing the overall performance of the core business lines (Energy Resources, National Security, Environmental Quality, and Science and Technology).

Achievement of our goals and objectives should be measured. These measures will demonstrate our return on the taxpayers investment, and that we serve as positive change agents that facilitate improvements in organizational effectiveness, efficiency and integrity in the business lines.

This plan is a starting point for performance measurement efforts. Planning is an ongoing process that requires constant monitoring and adjustment. As circumstances require, the OIG Strategic Plan will be revised accordingly.

Attachment

TABLE OF CONTENTS

	PAGE
MISSION AND VISION STATEMENTS	1
INTRODUCTION	3
RESPONSIBILITIES AND FUNCTIONS	5
ORGANIZATION	7
OFFICE OF INSPECTOR GENERAL ORGANIZATION CHART	9
PLANNING FACTORS	11
KEY EXTERNAL FACTORS	13
GOALS, OBJECTIVES, AND PERFORMANCE MEASURES	15
STRATEGIES	19
RESOURCE REQUIREMENTS	23
CUSTOMER PARTICIPATION	25
PROGRAM EVALUATION	27

MISSION AND VISION STATEMENTS

MISSION STATEMENT

The Office of Inspector General promotes the effective, efficient, and economical operation of the Department of Energy business lines through audits, inspections, investigations and other reviews.

VISION STATEMENT

We do quality work that facilitates positive change.

INTRODUCTION

Consistent with the Government Performance and Results Act of 1993, this Strategic Plan describes where the Office of Inspector General (OIG) expects to be over the next 5 years if it is going to meet and exceed customer expectations. Our role of detecting and preventing fraud, waste, and abuse, and fostering efficient management of public resources, is more critical than ever in today's environment of declining resources and changes in internal control structures.

This Strategic Plan documents the OIG's commitment to supporting the Department of Energy (DOE) in the operation of its business lines. It identifies goals and objectives the OIG will strive to attain, strategies describing how we plan to get there, and performance measures to evaluate our progress. It also defines external factors beyond our control which affect our ability to accomplish the stated goals, and discusses how serving our customers' needs is the critical factor in determining everything we do.

The Plan assesses the resources required to accomplish our goals. This is especially important in today's environment since the OIG's workload and responsibilities increase as Departmental downsizing and restructuring occur and vulnerabilities to fraud, waste, and abuse increase accordingly. Also, the OIG's resource requirements are a function of the number of Departmental programs, and not of overall staffing or resource levels. Thus, this Plan heeds the Results Act mandate that long-range planning be a primary driver in determining budgetary resources requested.

This plan reflects a significant value-added potential that the OIG can bring to the Department and the public. For example, the OIG is a revenue positive operation which provides a positive dollar impact of approximately \$3.2 million per audit employee per year. In addition, the OIG conducts inspections and criminal investigations that promote the efficiency, effectiveness, and integrity of DOE's business lines. Looking to the future, we estimate that the modest resource increases identified as required for fiscal years 2001 through 2003 will result in an additional half a billion dollars in savings, funds put to better use, questioned costs, and monetary recoveries. In addition, the increases will preclude the need to establish more stringent thresholds for opening investigations, and will allow the continuation of criminal investigations in vulnerable areas that would otherwise not have investigative coverage. The increases will also help the OIG fulfill recent legislative mandates, such as the Chief Financial Officers Act and the Government Management Reform Act.

In summary, this Plan provides a roadmap to the future that will enhance the OIG's ability to help ensure that public funds are put to the best use in the Department of Energy.

RESPONSIBILITIES AND FUNCTIONS

The Office of Inspector General operates under the Inspector General Act of 1978, as amended, with the following responsibilities:

RESPONSIBILITIES

- Conduct reviews to prevent and detect fraud and abuse in DOE programs and operations.
- Review and comment on proposed legislation and regulations impacting DOE programs and operations.
- Conduct, supervise and coordinate relationships between DOE and other Federal, state, and local agencies concerning the identification and prosecution of fraud and abuse.
- Keep the Secretary and Congress informed, and recommend corrective action concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of DOE programs and operations.
- Receive and investigate complaints from employees regarding mismanagement, abuse of authority, danger to public health and safety, or violations of law, rules or regulations.

MAJOR FUNCTIONS

- The OIG audit function -- Audits are conducted to provide independent evaluation of DOE programs and operations and include financial and financial-related audits, economy and efficiency, and program results audits.
- The OIG investigative function -- Investigations are conducted to determine prohibited or improper activities against DOE by its contractors, vendors, grantees and employees. Cases include serious criminal violations, enforcement of civil fraud statutes, and significant administrative misconduct.
- The OIG inspection function -- Inspections are conducted to review administrative allegations received by the OIG, review management systems for economy and efficiency, process referrals of allegations to Department management for appropriate action, and conduct inquiries into whistleblower complaints of reprisal by contractor employees.

ORGANIZATION

The activities of the Office of Inspector General are divided into four offices which are administered by Deputy Inspectors General.

The Office of Audit Services (OAS) provides direction and supervises, conducts and coordinates audit activities for Department of Energy programs and operations. OAS is responsible for performing independent audits of all DOE programs. These include financial and financial-related audits, economy and efficiency audits, and program results audits. They are planned annually through a prioritized work planning strategy that is driven by several factors, including the flow of funds to Departmental programs and functions, strategic planning advice and

guidance, statutory requirements and expressed needs. The objective of the Office is to provide high quality audit products that help the Department become a better steward of the programs and assets for which it is responsible. The plan focuses audit resources on DOE's core business lines of Science and Technology, Energy Resources, Environmental Quality, and National Security. The audits are designed to identify opportunities to enhance the effectiveness, efficiency, and integrity of DOE's programs and operations. OAS is organized into three regional offices, each with field offices located at major Department sites: Capital Regional Audit Office, with field offices in Washington, D.C., Germantown, and Pittsburgh; Eastern Regional Audit Office, with field offices located at Cincinnati, Chicago, Oak Ridge, Princeton, and Savannah River; and Western Regional Audit Office, with field offices located at Albuquerque, Denver, Idaho Falls, Las Vegas, Livermore, Los Alamos, and Richland.

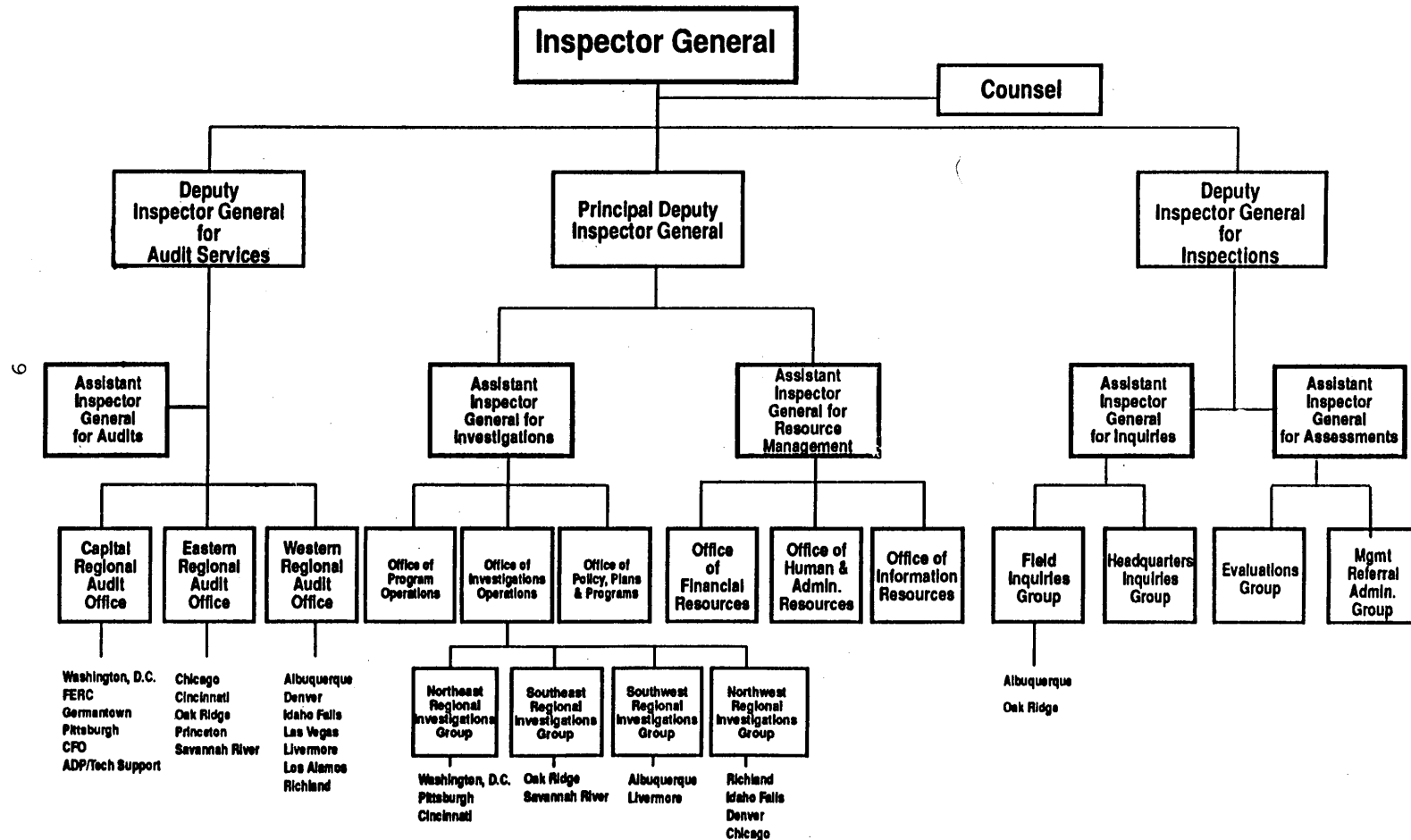
The Office of Investigations performs the statutory investigative duties which relate to the promotion of economy and efficiency in the administration of the Department's programs and operations, or the prevention or detection of apparent or suspected violations of statutes with criminal or civil penalties, especially procurement fraud; environmental, health and safety matters; and matters which reflect on the integrity and suitability of Department officials. Suspected criminal violations are promptly reported to the Department of Justice for prosecutive consideration. The Office is organized into a four-region structure, each with reporting offices located at major Department sites: (1) the Northeast Regional Group Field Office is located in Washington, D.C., with satellite offices in Pittsburgh and Cincinnati; (2) the Southeast Regional Group Field Office is located in Oak Ridge, with a satellite office in Aiken, (3) the Southwest Regional Group Field Office is located in Albuquerque, with a satellite office in Livermore, and (4) the Northwest Regional Group Field Office is located in Denver, with satellite offices in Idaho Falls, Richland, and Chicago. The Inspector General Hotline is also organizationally aligned within the Office of Investigations.

The Office of Inspections performs inspections and analyses including reviews based on administrative allegations. In addition, the Office investigates contractor employee allegations of employer retaliation for engaging in activities protected by Section 6006 of the Federal Acquisition Streamlining Act of 1994, or the Department of Energy Contractor Employee Protection Program (10 CFR Part 708). The Office also processes referrals of administrative allegations to Department management. In addition, the Office of Inspections has responsibility for oversight of DOE's intelligence activities, including reporting at least quarterly to the Intelligence Oversight Board, and for reviewing existing and proposed legislation relating to the Department's programs and operations. The Office is organized into two regional offices. The Eastern Regional Office is located in Oak Ridge, with a field office in Savannah River. The Western Regional Office is located in Albuquerque, with a field office in Livermore, California.

The Office of Resource Management directs the development, coordination, and execution of overall Office of Inspector General management and administrative policy and planning. This responsibility includes directing the Office of Inspector General's strategic planning process, financial management activities, personnel management programs, procurement and acquisition policies and procedures, and information resources programs. In addition, staff members from this Office represent the Inspector General in budget hearings, negotiations, and

conferences on financial, managerial, and other resource matters. Also, staff members provide management and administrative support services, including personnel, procurement, security, travel, training, and automated data processing services. The staff coordinates activities of the President's Council on Integrity and Efficiency. The Office is organized into three offices: Financial Resources, Human and Administrative Resources, and Information Resources.

Office of Inspector General Organization Chart



PLANNING FACTORS

Significant issues impacting OIG work are considered when developing and assigning workload, formulating budgets, assessing organizational structure, evaluating procedures and establishing priorities. Some of these issues are briefly discussed below to help managers keep them in perspective and give them appropriate attention during OIG planning cycles.

DOE STRATEGIC PLAN: While the OIG has its own Strategic Plan, the planning of our work supports the goals, objectives, and strategies outlined in the Department's Strategic Plan, which provides a framework, shared vision, and strategic goals for each of the Department's four business lines. These business lines are:

- Energy Resources - Assure adequate supplies of clean energy and reduce U.S. vulnerability to supply disruptions, encourage efficiency and advance alternative and renewable energy technologies, and increase energy choices for all consumers.
- National Security - Effectively support and maintain a safe, secure, and reliable enduring stockpile without nuclear testing, safely dismantle and dispose of excess weapons, provide technical leadership for national and global nonproliferation and nuclear safety activities, and develop and support nuclear reactor plants for naval propulsion.
- Environmental Quality - Reduce the environmental, safety, and health risks and threats from DOE facilities and materials, safely and permanently dispose of civilian spent nuclear fuel and defense related radioactive waste, and develop the technologies and institutions required for solving domestic and global environmental problems.
- Science and Technology - Use the unique resources of the Department's laboratories and the country's universities to maintain leadership in basic research and to advance scientific knowledge, focus applied research in support of the Department's other business lines, contribute to the Nation's science and mathematics education, and delivery of relevant scientific and technical information.

The OIG supports the business lines as outlined in the DOE Strategic Plan by organizing and prioritizing workload to ensure that audits, inspections, and investigations help the Department to reach its visions and goals, pursue its strategies, and monitor its success indicators.

PERFORMANCE AGREEMENTS: In FY 1997, the Secretary of Energy entered into a written performance agreement with the President to achieve a Department of Energy which works better and costs less. The performance agreement is updated and reissued for each fiscal year. OIG managers should ensure that their planning considers the commitments made in the current performance agreement, and that findings and recommendations in OIG reports and referrals cite applicable performance agreement goals and commitments whenever appropriate.

PRIORITIZATION OF OIG WORKLOAD: The OIG prioritizes work by scheduling its efforts in areas which have historically provided the OIG with opportunities to make significant contributions to Department programs and operations. This prioritization effort considers customers' expectations and determines which needs/expectations can be filled and which cannot be met with existing resources. For example, OIG priorities based on input from our congressional customers, current laws, the National Performance Review, and Department management would be as follows:

- Financial Statement Audits and related efforts
- Significant opportunities to enhance economy and efficiency
- Allegations concerning matters that if proven true would result in significant recoveries or have other major consequences
- Internal control reviews
- Programmatic reviews
- Administrative inquiries
- Hotline allegations needing additional information prior to determining if such have merit

There are also external factors that impact on planning our workload. These factors are outlined on the following page titled "Key External Factors."

KEY EXTERNAL FACTORS

There are several key external factors that could affect the achievement of our goals and objectives. These factors have significant impact on assigning workloads, formulating budgets, assessing organizational structure, evaluating procedures and establishing priorities. These factors are outlined in three separate categories and summarized below.

RESOURCE IMPACTS

The OIG is particularly vulnerable to external factors such as reductions in funding, or diversion of resources away from critical areas due to new legislatively mandated audit, investigative, or inspection requirements. Reduced funding results in lost benefits and opportunities to the Department and the public in a revenue-positive organization. It is critical that OIG plans include proactive liaison and communication with Department, Office of Management and Budget, and Congressional staff who evaluate OIG requirements.

MANDATORY REQUIREMENTS

There are numerous statutory and regulatory requirements which impact on our ability to meet workload requirements. Specifically:

- Federal Managers' Financial Integrity Act (FMFIA) of 1982. Requires OIG to render opinions on all FMFIA assurance letters.
- Chief Financial Officers Act of 1990. Requires OIG to audit financial statements of the Department's revolving funds, trust funds, and commercial-type activities.
- Government Management Reform Act (GMRA) of 1994. Requires OIG to audit consolidated financial statements covering all accounts and associated activities.
- EXECUTIVE ORDER 12863. Tasks OIG to report to the Intelligence Oversight Board concerning intelligence activities carried out by the Department or its contractors.
- FEDERAL ACQUISITION STREAMLINING ACT of 1994. Requires OIG to investigate certain contractor employee whistleblower reprisal complaints.

UNPROGRAMMED REQUIREMENTS

There are many taskings from external sources that impact on our workload demands. These are non-discretionary and often require immediate response and shifting of work.

Examples include:

- Departmental Priority Requests. Requirements requested by the Secretary, for example, can be resource intensive and must be planned for.

- Congressional Inquiries. These assignments are often unanticipated, require immediate attention, and consume large amounts of resources.
- Joint Reviews. We also have responsibility for conducting joint investigations with other Federal Agencies. It is expected that these reviews will be increasing in the future years.
- Congressional Hearings. We must prepare testimony for periodic Congressional hearings.

GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

This planning process shifts the focus of Federal management and oversight from staffing and activity levels to actual results achieved. General goals, objectives, and performance measures explain what results are expected, when to expect those results, and how to measure accomplishments. Following are the OIG's general goals, objectives, and performance measures, to be supplemented by more specific goals, objectives, and measurement criteria in annual planning and evaluation phases of the planning process.

GOAL: Conduct statutorily required audits of the Department, which has four business lines (Energy Resources, National Security, Environmental Quality, and Science and Technology), enabling the public to rely on DOE's financial and management systems.

Objectives:

- Complete Chief Financial Officers (CFO) Act, Government Management Reform Act (GMRA), and other audits by established due dates, to enable the Department to improve its fiscal integrity.
- Identify and report significant systems' deficiencies, enabling the Department to take corrective action and demonstrate improved stewardship of public resources.

Performance Measures:

- Complete required financial statement audits by due dates designated in the law.
- Render an opinion annually on the Department's consolidated financial statements, system of internal controls, and compliance with laws and regulations.
- Coordinate with Departmental management and other interested parties to identify and prioritize audit opportunities each fiscal year.
- Complete at least 60 percent of audits planned for the year and replace those audits not started with more significant audits which identify time-sensitive issues needing review.

- Achieve 85 percent acceptance/adoption rate on recommendations made in audit reports, thereby allowing DOE managers to take corrective, cost saving, or recoupment action(s).
- Devote at least 10 percent of available resources to subsequent reviews of areas to determine if DOE's commitment to the acceptance/adoption of previous recommendations has resulted in implementation of corrective actions.

GOAL: Conduct performance reviews which promote the efficient and effective operation of the Department's business lines.

Objective:

- Focus performance reviews on those issues and programs having the greatest potential for the protection or recovery of public resources.

Performance Measures:

- Complete reviews on key programs, identifying areas with weaknesses or problems where resources are at risk.
- Recommend actions for the Department to diminish or alleviate the risks identified in the reviews above.
- Achieve 85 percent acceptance/adoption rate on recommendations made in performance review reports thereby allowing DOE managers to take corrective, cost saving, recoupment or disciplinary action(s).

Objective:

- Conduct oversight of DOE's intelligence programs to prevent violations of public trust.

Performance Measures:

- Achieve 85 percent acceptance/adoption rate on recommendations made in intelligence oversight review reports thereby allowing DOE managers to take corrective, cost saving, recoupment or disciplinary action(s).
- Provide the Intelligence Oversight Board with required quarterly reports of OIG intelligence oversight activity to increase confidence that Departmental intelligence activities are conducted appropriately.

GOAL: Conduct investigations to enhance the credibility of the Department and integrity of its business lines by aggressively pursuing fraud, waste, and abuse, and reporting on those engaged in such practices.

Objective:

- Focus investigations on allegations of serious violations of Federal law, to permit successful prosecutions that maximize recovery of public resources, and the deterrence of future wrongdoing.

Performance Measure:

- Obtain acceptance of 75 percent of cases presented for prosecution, thus permitting prosecutors to pursue maximum monetary recovery from, and punishment of, wrongdoers.

Objective:

- Increase inter-agency cooperative efforts to combat fraud, waste, and abuse.

Performance Measure:

- Increase joint agency task force activity by 10 percent, affording the opportunity to protect and deter criminal activity while maximizing resource use efficiency.

GOAL: Conduct inquiries which assist the Department in fostering public confidence in the Department's integrity, commitment to fairness, and willingness to take corrective action.

Objective:

- Conduct allegation-based inquiries which enable the Department to hold employees and contractors accountable to the highest standards of honesty, objectivity and integrity.

Performance Measures:

- Achieve 85 percent acceptance/adoption rate on recommendations made in allegation-based inspection reports thereby allowing DOE managers to take corrective, cost saving, recoupment or disciplinary action(s); and promoting increased confidence in the integrity of DOE management actions and processes.
- Decrease the average number of days to process mismanagement, integrity and abuse allegations by 5 percent, thereby assisting management through more timely resolution of complaints and increasing confidence in management actions and processes.

- Refer 80 percent of referrals to management within 3 weeks of the referral case being initiated.

Objective:

- Conduct inquiries into contractor-employee whistleblower reprisal allegations to enhance public trust by fostering an open, non-retaliatory environment throughout the Department.

Performance Measure:

- Decrease the average number of days to process whistleblower reprisal cases by 5 percent, thereby encouraging employee willingness to raise concerns regarding safety, environment, health, fraud, waste, abuse or mismanagement which promotes worker and public safety, economy and efficiency, and stewardship of public resources.

STRATEGIES

The following section describes how the OIG plans to achieve its goals and objectives.

1. **GOAL:** Conduct statutorily required audits of the Department, which has four business lines (Energy Resources, National Security, Environmental Quality, and Science and Technology), enabling the public to rely on DOE's financial and management systems.

Objectives:

- Complete Chief Financial Officers (CFO) Act, Government Management Reform Act (GMRA), and other audits by established due dates, to enable the Department to improve its fiscal integrity.
- Identify and report significant systems' deficiencies, enabling the Department to take corrective action and demonstrate improved stewardship of public resources.

Strategies:

- Evaluate the Department's progress in implementing GMRA.
 - Audit the "Statement of Costs Incurred and Claimed" to evaluate the reliability of the internal controls which contractors and the Department use to certify that only costs allowed under contract are claimed by contractors and reimbursed by the Department.
 - Follow up on Departmental corrective actions resulting from OIG recommendations.
2. **GOAL:** Conduct performance reviews which promote the efficient and effective operation of the Department's business lines.

Objectives:

- Focus performance reviews on those issues and programs having the greatest potential for the protection or recovery of public resources.
- Conduct oversight of DOE's intelligence programs to prevent violations of public trust.

Strategies:

- Evaluate the effectiveness of the Department's management controls over processes, systems, operations, and programs.

- Review allegations of waste or wrongdoing in the business lines, with the objective of recommending improvements to applicable management controls.
- Identify opportunities for organizational streamlining, cost savings, and other improvements in Department and contractor policies and practices.
- Identify "best practices" in key issue areas which could be adopted by other organizational elements and programs.
- Evaluate the cost effectiveness of award fees.
- Conduct reviews to determine whether the power marketing administrations, the Strategic Petroleum Reserve, and Naval Petroleum and Oil Shale Reserves are using their resources economically and effectively, and whether they have sufficient management controls in place to account for funds and other resources under their cognizance.
- Audit or review the Department's performance of its programmatic responsibilities for the national laboratories as they pursue basic and applied research and development programs.
- Audit Federal Energy Regulatory Commission programs and operations to identify opportunities for increased economy and efficiency, and for improved management controls.
- Audit or review the economy and effectiveness of the Department's programs, operations and activities in the business lines.
- Audit the Department's and Department contractors' management controls in activities with high inherent vulnerabilities such as imprest funds, travel, payroll, claims, telephone use, and contractor cost claims.
- Evaluate the Department's performance and progress in environmental management.
- Request and evaluate feedback from OIG customers on the usefulness of OIG products.
- Refer allegations of noncriminal waste or wrongdoing to Department managers for their own reviews and action whenever appropriate.
- Follow up on Departmental corrective actions resulting from OIG recommendations.
- Communicate with OIG customers before, during, and after OIG reviews to ensure mutual understanding of the purpose, scope, and objectives of OIG work.

- Review performance measures which the Department uses to monitor its program and operations, and the results of those performance measures.
- Evaluate Department progress in meeting commitments made in the current performance agreement between the Secretary and the President, and ensure that findings and recommendations in OIG reports and referrals cite applicable performance agreement goals and commitments whenever appropriate.
- Identify areas in which automation could save resources, increase the efficiency or effectiveness of Departmental program and operations, or increase the quality of Department products.
- Survey DOE senior managers quarterly regarding possible violations of intelligence procedures.
- Conduct periodic inspections of field intelligence components.
- Periodically meet with the Intelligence Community IG Forum to foster interagency cooperation.

3. GOAL: Conduct investigations to enhance the credibility of the Department and integrity of its business lines by aggressively pursuing fraud, waste, and abuse, and reporting on those engaged in such practices.

Objectives:

- Focus investigations on allegations of serious violations of Federal law, to permit successful prosecutions that maximize recovery of public resources, and the deterrence of future wrongdoing.
- Increase inter-agency cooperative efforts to combat fraud, waste, and abuse.

Strategies:

- Review complaints concerning waste and wrongdoing in contracted programs and operations.
- Raise thresholds for accepting complaints for OIG action and refer more complaints to Department management for resolution. This contradicts our request for additional resources in the introduction.
- Investigate as a high priority those cases with the best potential for successful criminal or civil prosecution, and investigate the remainder only as resources permit. Criminal cases which do not score high may be referred to other law enforcement agencies for their consideration, put on hold in the event that resources might become available, referred to Department management for action, or dropped.

4. **GOAL:** Conduct inquiries which assist the Department in fostering public confidence in the Department's integrity, commitment to fairness, and willingness to take corrective action.

Objectives:

- Conduct allegation-based inquiries which enable the Department to hold employees and contractors accountable to the highest standards of honesty, objectivity and integrity.
- Conduct inquiries into contractor-employee whistleblower reprisal allegations to enhance public trust by fostering an open, non-retaliatory environment throughout the Department.

Strategies:

- Review allegations of waste or wrongdoing in the business lines, with the objective of recommending improvements to applicable management controls.
- Refer allegations of noncriminal waste or wrongdoing to Department managers for their own reviews and action whenever appropriate.
- Review complaints concerning waste and wrongdoing in contracted programs and operations.
- Review complaints from contractor employees regarding alleged reprisal, and produce reports of inquiry for Department adjudication.

RESOURCE REQUIREMENTS

The Government Performance and Results Act of 1993 requires that long-range strategic planning drive the budget process. Thus, a summary of our resource requirements for the period FY 1999 through FY 2003 is outlined below.

BUDGET/STAFFING

The OIG is a revenue-positive organization that facilitates positive change in the operations and programs of the Department and provides a positive dollar impact of approximately \$3.2 million per audit employee per year. During FY 1997, 109 investigations were closed, and 28 inspection reports, with 122 recommendations implemented by management, were issued. Since the OIG is a level of effort organization, accomplishments such as these are directly proportional to the level of resources invested. Resource increases for the outyears are modest and represent a significant compromise from levels the OIG had previously identified as necessary to adequately promote efficient and effective Departmental operations. The OIG, however, has been subject to Departmental downsizing policies, and our staffing plan is consistent with Strategic Alignment Initiative (SAI) targets through FY 2000. The OIG requires resources in relation to the number of Departmental programs, and not to overall Department staffing or resource levels. Furthermore, vulnerabilities to fraud, waste, and abuse increase in a downsizing environment, as internal control structures change, placing greater, not less, demand on OIG resources.

Our resource requirements directly support the goals and objectives in this Strategic Plan. For example, a large portion of the funding requested, including virtually all of the support services request, supports the goal to conduct audits required by laws such as the Chief Financial Officers (CFO) Act and the Government Management Reform Act (GMRA). Funding requested for investigations is necessary to support the goal of continuing to focus efforts on allegations of serious violations of Federal law, and to increase the acceptance rate of cases presented for prosecution. Inspections funding supports the goal of conducting allegation-based inquiries which foster public confidence in the Department's integrity and commitment to fairness.

IMPACTS

Failure to implement our budget and staffing plan will directly affect our ability to attain the stated goals and objectives, and will result increasingly in lost benefits and opportunities for the Department and the public. It is estimated that over half a billion dollars in savings, funds put to better use, questioned costs, and monetary recoveries would be lost if the 5-year plan is not implemented. Investigative thresholds would continue to be raised and numerous investigative program areas, such as theft of government property, counterfeit parts, and grant fraud, would not have investigative coverage, resulting in numerous cases of a criminal nature never being investigated. In addition, it would become increasingly difficult to fulfill legislative mandates such as the CFO Act and GMRA, for which additional resources have never been provided. The resulting organizational turbulence and resource reallocations would seriously inhibit efficient and effective operations.

LONG-RANGE RESOURCE REQUIREMENTS

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Funding (000)	\$29,900	\$30,816	\$35,687	\$40,692	\$46,202
FTEs Required	266	257	287	317	347
Target (SAI)	<u>266</u>	<u>257</u>	<u>254</u>	<u>254</u>	<u>254</u>
Increase Required	0	0	33	63	93

CUSTOMER PARTICIPATION

The Office of Inspector General has three primary customers: (1) Department management, (2) Congress, and (3) prosecutors. The OIG considers complainants, employees, and taxpayers to be customers, as well. In scheduling work, the needs of the OIG's customers are carefully considered when formulating our planning. Priority is given to fulfilling requests for services from the Secretary of Energy, other Senior Department officials, Congress, Office of Management and Budget, and other appropriate Government authorities. Each year the OIG provides Department managers the opportunity to formally and informally identify areas where they believe coverage would benefit the Department's business lines both within their own organization and within the Department as a whole. We also conduct quarterly focus group meetings with representatives of Departmental management in order to better understand their needs and objectives and provide the greatest benefit to their programs. Thus, the planning process is open to suggestions on an interactive basis.

The heart of maintaining quality customer service is in determining customer needs and expectations. To that end, the OIG uses customer surveys, focus groups, questionnaires, and one-on-one meetings to gather information on customer needs, perceptions and expectations, and ensures that "hands-on" or "frontline" employees actively participate in these efforts.

Customers are also afforded the opportunity to comment on draft and final reports. OIG staff meet with customers to discuss their comments during exit conferences and respond to comments in final reports. A customer response form is included in every final public report issued, including the Semiannual Report to Congress, which allows customers to provide their perceptions and recommendations for improved service. A senior-level employee responds directly to each customer who provides formal or informal feedback.

The OIG meets with Department management periodically to discuss their perspectives with respect to the scope, methodologies and objectives of OIG oversight efforts, and consider their input when planning and implementing OIG work, consistent with Inspector General independence.

In the early stages of its annual planning process, the Office of Audit Services solicits audit suggestions from Department managers. Periodic customer focus groups and meetings with program managers are also convened to discuss audit suggestions and to obtain additional planning input. Customer suggestions are evaluated by senior staff to determine their priority by their relationship to the business lines, the Department's Strategic Plan, and previous or ongoing work by the OIG. The OIG advises its customers about the disposition of their suggestions at the end of the planning process.

During the performance of audits, the OIG ensures that customers are afforded many opportunities to express their views and expectations. An entrance conference is conducted with our customers to inform them about audit goals and objectives.

The OIG maintains a fully integrated and collaborative planning process to ensure that projects it performs address issues that are important and useful to its customers, and fully support the Department's four business lines. The OIG will continue to seek feedback from Department managers, the Office of Management and Budget, members of Congress, Federal and State prosecutors, and other customers as we continue to refine and improve our performance planning.

PROGRAM EVALUATION

We will evaluate our progress toward meeting our goals and objectives through annual performance reporting. Information will be collected from various sources to assess our achievements. Sources include automated tracking systems, feedback from customers, focus group meetings, and surveys. To this end, we have established the following procedures for tracking, evaluating, and reporting performance information.

- Performance against the goals and objectives will be tracked and analyzed, and discussed on a regular basis among senior OIG management.
- For the performance goals, results will be reported at the end of the second quarter and at the end of the fiscal year in the OIG Semiannual Report to Congress.
- Performance-based information for strategic-level goals will be incorporated into the OIG's budget justification for each fiscal year.
- Performance goals, objectives, and performance measures will be published in the Annual Performance Plan and progress toward meeting these goals will be measured in the Annual Performance Report.
- Accomplishments and results associated with each of the performance goals established for the current fiscal year, along with the goals developed for the next fiscal year, will be reported to OMB and the Congress, in the Annual Performance Report.

Specific, measurable performance goals and objectives, as well as performance measures, will be established and published in the Annual Performance Plan at the beginning of each fiscal year, and linked to the performance goals in the Strategic Plan. The Annual Performance Plan details specific measurable performance goals, based on the long-term organizational strategic-level goals depicted in this plan. The plan will also address performance results with respect to current annual performance goals.

The information obtained from each year's performance measurements will be analyzed and used to determine whether the OIG has achieved its annual performance goals, and is on track toward achieving its strategic level goals and objectives. Results will be reviewed to make decisions on whether external/internal factors have changed that warrant modification of one or more of our goals and objectives.

We will examine the effectiveness of the performance measures to determine whether they continue to be appropriate, or should be modified or refocused for the next fiscal year.

The Annual Performance Report will present the results of our evaluation of our achievements in meeting the goals and objectives outlined in the Annual Performance Plan. This report may include significant trends and issues which will be used to evaluate our short- and long-term objectives. Any significant impediments which exist to the planning, performance, or timely completion of our work will be addressed in the Annual Performance Report. These impediments might include significant staffing or funding constraints, or other external factors described on page 13.

Strides will be made to consistently improve our information gathering techniques and obtain data that best measures the critical elements of our operations. Performance measurement will enable us to illustrate and communicate that we are providing good value for our investment, and help identify where changes are needed to improve organizational effectiveness and efficiency.